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SUBJECT: CYPRUS TO QUIETLY SUPPORT U.S.-EU OPEN SKIES PLUS AGREEMENT

REF: SECSTATE 29781

(U) This cable is sensitive but unclassified. Please protect accordingly.

¶1. (SBU) The Ambassador delivered reftel demarche March 13 to Cypriot Communications Minister Charis Thrassou and PermSec Makis Constantinides. Thrassou noted that the GoC's positions on aviation issues do not carry much weight within the EU, given that Cypriot carriers possess only around 15 aircraft. Consequently, as a matter of policy, the GoC rarely engages on aviation matters, preferring to save its political capital for areas where it is an EU player, such as shipping.

Although Cyprus will remain largely quiet, both the Minister and Constantinides predicted that the March 22 Transport Council would approve the Open Skies agreement. The UK was isolated on this issue and was unlikely to be willing to act alone to block approval. They did, however, expect significant discussion at the meeting on the asymmetry of U.S. and EU airline ownership rules. Civil Aviation Director Leonidas Leonidou gave EconOff a similar readout in a separate meeting.

¶2. (SBU) Comment: Cyprus, as an island and a major tourist destination, is very dependent on low cost aviation. Nevertheless, while the GoC is moderately in favor of the agreement, it does not feel enough is at stake for it to take either a public or leadership role. As with most things where it does not see itself as having much of a dog in the fight, the GoC can be counted on going along with the consensus. As long as the consensus continues to be in favor of the agreement, we can count on Cyprus's quiet support. End comment.

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